

IN THE CHANCERY COURT FOR DAVIDSON COUNTY, TENNESSEE
PART I

SENTINEL TRUST COMPANY, and)
its Directors, Danny N. Bates,)
Clifton T. Bates, Howard H.)
Cochran, Bradley S. Lancaster,)
and Gary L. O'Brien,)

Petitioners,)

vs.)

NO. 04-1934-I

KEVIN P. LAVENDER,)
Commissioner Tennessee)
Department of Financial)
Institutions,)

Respondent.)

ORDER

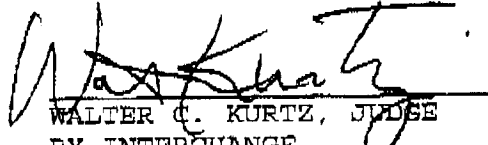
On August 13, 2004, the petitioners filed a motion for rehearing and modification of this Court's Order of August 9, 2004, for other relief; for expedited hearing on such motion; and/or interlocutory appeal. On August 20, 2004, the State filed a response.

On August 9, 2004, the Court entered a Memorandum and Order denying the petitioners' motion requesting the Court issue a writ of supersedeas. The Court's twelve (12) page Memorandum and Order explained the Court's reasoning. The petitioners' motion for rehearing and modification is based upon arguments already made to the Court. The petitioners remain adamantly convinced that the Court does not understand the rules of statutory construction. It

bears repeating: It was the petitioners that chose to press his motion for writ of supersedeas based solely on the legal issue of the Commissioner's authority and not on whether there was an appropriate factual basis supporting the Commissioner's actions. In other words, it is the position of the petitioners that whatever the facts, the Commissioner has no power to seize and liquidate this business. Petitioners assert that even if the business is insolvent or even if the bond holders are at immediate risk it is simply beyond the statutory powers of the Commissioner to act as he did. The motion to alter and amend this Court's Order of August 9, 2004 is denied. The Court adheres to its decision and reasoning set forth in that Memorandum and Order.

Pursuant to Rule 9 of the Tennessee Rules of Appellate Procedure, the Court grants the petitioners an interlocutory appeal from this Court's Memorandum and Order of August 9, 2004. The Court finds that if the Court is mistaken in its opinion regarding the statutory and constitutional powers of the Commissioner, the petitioners would suffer irreparable injury, and the Court further finds that an interlocutory appeal may result in a net reduction in the duration and expense of the litigation if the challenged order is reversed.

This the 23 day of Aug, 2004.


WALTER C. KURTZ, JUDGE
BY INTERCHANGE

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